

# HOUSE BILL No. 1555

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8.

**Synopsis:** Health insurance for retired state employees. Provides for group health insurance coverage for a state employee who retires under the rule of 85 after June 30, 2005, and the retired state employee's spouse.

**Effective:** July 1, 2005.

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January 18, 2005, read first time and referred to Committee on Employment and Labor.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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## HOUSE BILL No. 1555

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 5-10-8-8.3 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8.3. (a) As used in this  
3 section, "department" refers to the state personnel department.

4 (b) The department shall establish, or contract for the establishment  
5 of, at least two (2) retiree health benefit plans to be available for former  
6 employees of:

7 (1) the state; and  
8 (2) the legislative branch of government;  
9 whose employer elects under section 8(j) **or 8.5** of this chapter, to  
10 permit its former employees to continue to participate in a health  
11 insurance program under this chapter after the employees have become  
12 eligible for Medicare coverage. At least one (1) of the plans offered to  
13 former employees must include coverage for prescription drugs  
14 comparable to a Medicare plan that provides prescription drug benefits.

15 SECTION 2. IC 5-10-8-8.5 IS ADDED TO THE INDIANA CODE  
16 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
17 1, 2005]: **Sec. 8.5. (a) As used in this section, "retired state**



- 1 **employee" refers to a retired state employee:**
- 2 (1) whose retirement date is after June 30, 2005;
- 3 (2) who is eligible for normal retirement under a public
- 4 pension fund because, on the date of retirement:
- 5 (A) the retired state employee's age in years plus the
- 6 retired state employee's years of service is equal to at least
- 7 eighty-five (85); and
- 8 (B) the retired state employee is at least fifty-five (55) years
- 9 of age; and
- 10 (3) who is not eligible on the date of retirement for Medicare
- 11 coverage as prescribed by 42 U.S.C. 1395 et seq.
- 12 (b) The state shall provide to a retired state employee a group
- 13 health insurance program equal to the group health insurance
- 14 program offered to active state employees.
- 15 (c) A retired state employee and the retired state employee's
- 16 spouse may participate in the group health insurance program
- 17 under subsection (b) if the retired state employee:
- 18 (1) pays an amount equal to the employee's premium for the
- 19 group health insurance for an active state employee; and
- 20 (2) within ninety (90) days after the employee's retirement
- 21 date files a written request for group health insurance
- 22 coverage with the state employer.
- 23 However, the state employer may elect to pay any part of the
- 24 retired state employee's share of the premium described in
- 25 subdivision (1).
- 26 (d) Except as provided in subsection (f), a retired state
- 27 employee's eligibility to continue group health insurance coverage
- 28 under this section ends when the:
- 29 (1) retired state employee becomes eligible for Medicare as
- 30 prescribed by 42 U.S.C. 1395 et seq.; or
- 31 (2) state employer terminates the group health insurance
- 32 program.
- 33 (e) Eligibility of a retired state employee's spouse to continue
- 34 group health insurance coverage under this section is unaffected by
- 35 the retired state employee's death if the spouse pays the amount the
- 36 retired state employee would have been required to pay for the
- 37 spouse's group health insurance coverage under this section. The
- 38 surviving spouse's eligibility ends on the earliest of the following:
- 39 (1) Except as provided in subsection (f), when the surviving
- 40 spouse becomes eligible for Medicare as prescribed by 42
- 41 U.S.C. 1395 et seq.
- 42 (2) When the state employer terminates the group health

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**insurance program.**  
**(3) Two (2) years after the date of the retired state employee's death.**  
**(4) The date of the surviving spouse's remarriage.**  
**(f) A state employer may elect to permit a retired state employee and the retired employee's spouse, including a surviving spouse, to continue to participate in a group health insurance program under this section after the retired state employee (who is otherwise qualified under this section to participate in a group health insurance program) or spouse has become eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq. A state employer that makes an election under this subsection may require a person who continues coverage under this subsection to participate in a retiree health benefit plan developed under section 8.3 of this chapter.**

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